

Report on NGS Education Foundation Named Fund

Texas

*Collaboration for programs in association with the
Texas Higher Education Coordinating Board*

As of December 31, 2002

Activity in Current Year:

Outside Contributions	\$	-
Contribution/NGS Match	\$	-
Net Earnings on Investment	\$	(39,062)
Transfer from Unrestricted*	\$	39,062
Grants Made	\$	-
Total/Current Year	\$	-

Activity in Prior Years:

Outside Contributions	\$	500,000
Contribution/NGS Match	\$	500,000
Net Accumulated Return	\$	(1,768)
Transfer from Unrestricted*	\$	1,768
Total/Prior Years	\$	1,000,000

Total Net Assets \$ 1,000,000

Other information:

Contributions--both outside and NGS match--are categorized as permanently restricted assets. Grants are paid out of earnings, according to the stipulations of the Foundation's spending rule, which is currently 5.25%.

* The total amount transferred from the Foundation's Unrestricted Net Assets will be returned to Unrestricted Net Assets when the Fund achieves positive earnings (above and beyond the level of the Contributions).